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July 6, 2010

VIA CM/ECF FILING

The Honorable Donald H. Steckroth
United States Bankruptcy Court
Martin Luther King, Jr. Federal Building
50 Walnut Street
Newark, NJ 07102

Re: Chemiteck 2006, LLC
Case No. 10-28641(DHS)

Palisades Park Plaza North, Inc.
Case No. 10-28642(DHS)
Hearing Date: July 13, 2010 at 2:00 p.m.

Dear Judge Steckroth:

As Your Honor is aware, I have been appointed as the Chapter 11 Trustee over Kwang Ho Keh (the "Keh Debtor"), Case No. 09-28922(DHS). Please accept this letter in lieu of a formal pleading regarding my position as Trustee over the Keh Debtor insofar as it relates to the Keh Debtor's corporate bankruptcy filings, Chemiteck 2006, LLC ("Chemiteck") (Case No. 10-28641(DHS)) and Palisades Park Plaza North, Inc. ("Palisades") (Case No. 10-28642(DHS)) (collectively, the "Corporate Bankruptcies").

By way of background, the Keh Debtor filed a voluntary petition (the "Petition") on July 21, 2009. At that time, the Keh Debtor held a seventy-one percent (71%) membership interest in Chemiteck and was the one hundred percent (100%) common shareholder of Palisades. Upon the filing of the Keh Debtor's Petition, the stocks owned by the Keh Debtor became assets of his individual bankruptcy case under 11 U.S.C. § 541. As a result of my appointment as the Chapter 11 Trustee for the Keh Debtor's

BECKER MEISEL
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The Honorable Donald H. Steckroth
July 6, 2010
Page 2 of 3

individual bankruptcy case, I then became the substituted owner and controller of seventy-one percent (71%) of Chemiteck's stock and of one hundred percent (100%) of Palisades' stock.

Notwithstanding my appointment, the Keh Debtor, by and through his counsel, filed for bankruptcy on behalf of both Chemiteck and Palisades on June 17, 2010, without any communications with me whatsoever. I am unaware of whether the corporate by-laws permit such action nor has the Keh Debtor provided me with any information.¹ To the extent that such a function was designated to board control prior to the various bankruptcies, then it was an authority that belonged to me by virtue of having "stepped into the shoes" of the Keh Debtor.

In *In re Ashley Albright*, 291 B.R. 538, 540 (Bankr. D. Colo. 2003), the Court found that because there were no other members in the LLC, the debtor's "bankruptcy filing effectively assigned her entire membership interest in the LLC to the bankruptcy estate, and the Trustee obtained all her rights, including the right to control the management of the LLC." Of significance, "because the Trustee became the sole member of the LLC upon the Debtor's bankruptcy filing, the Trustee now controls, directly or indirectly, all governance of that entity, including decisions regarding liquidation of the entity's assets." *Id.* at 541. In the situation "[w]here a single member filed bankruptcy while the other members of a multi-member LLC do not ... the bankruptcy estate is only entitled to receive the share of profits or other compensation by way of income and the return of the contributions to which that member would otherwise be entitled." *Id.* at 541, n. 7.

In re A-Z Elec., LLC, 350 B.R. 886 (Bankr. D. Idaho 2006) is also illustrative of the Trustee's role. In that case, the United States Trustee brought a motion to convert or dismiss the Chapter 11 case filed by a limited liability company on the basis that the petition was improperly authorized by the sole member who had an individual Chapter 7 case pending. In dismissing the debtor's case as being unauthorized, the court noted that:

On the date the petition herein was filed, all the [member's] interest in Debtor were property of the bankruptcy case in [his personal bankruptcy case]. As such, they were subject to the sole and exclusive authority of the

¹ This Court should be aware that I will shortly file a motion to convert the Keh Debtor's individual case for, among other things, his lack of communication and cooperation with me and his inability to reorganize.

BECKER MEISEL
ATTORNEYS AT LAW

The Honorable Donald H. Steckroth
July 6, 2010
Page 3 of 3

[member's] trustee, and that trustee was the only one entitled to manage Debtor and decide, *inter alia*, whether the LLC would or would not file bankruptcy. She did not make or authorize the chapter 11 filing, she was not consulted or informed of the filing, and her consent to the filing has not been established.

Id. at 890.

This letter is written to simply advise the Court of my position as the Keh Debtor Trustee. If the corporate books and records did not set up a method wherein someone other than the one hundred percent (100%) shareholder of the Corporation or majority membership interest controlled the acts of the Company, then the Corporate Bankruptcies were unauthorized and void. If evidence is provided to the contrary, then the Court will need to review under other standards.

Unless this Court requires my appearance, it is not my intention to appear in Court on this matter. Should Your Honor require my presence, kindly have someone from Your Chambers notify me.

Respectfully submitted,
BECKER MEISEL LLC

/s/ Stacey L. Meisel

Stacey L. Meisel

SLM/maf
cc: All CM/ECF Filers